

Motion by Green Group

City of Edinburgh Council

Title: Revenue Budget 2015/16; Capital Investment Programme 2015-20; Housing Revenue Account Budget 2015/16

City of Edinburgh Council

12 February 2015

Introduction

1. The Green Group welcomes the Capital Coalition's reform of the budget process as a work in progress and we recognise the hard work of staff in increasing public engagement in the budget this year.
2. The Green Group acknowledges many of the priorities in the final Budget papers and supports those changes in the Capital Coalition budget motion which reflect public feedback and which mitigate pressures on budgets: including grants to voluntary sector partners and access to transport for disabled citizens. We also support investment in developing an energy services company and devolution of further budgets to neighbourhoods.
3. However, it is also the case the majority of proposals in the draft budget remain in place, with consequent risks to the scale and quality of services being provided.
4. In making that observation, the Green Group believes that local government funding is at an important crossroads in 2015. We welcome Edinburgh Labour's acknowledgement that local government funding is "broken" and we welcome the Scottish Government's setting up of a Commission on alternatives to Council Tax. The centralisation of business rates over a long period and the centrally-imposed freezing of council tax since 2008-09 have done a great disservice to local accountability and the proper funding of local services. The council tax is a poorly-designed, regressive tax and the freeze simply makes a bad tax worse: we urge the Council to make a detailed and imaginative submission to the Commission at the appropriate time, with a thorough appraisal of the merits of Land Value Tax as a replacement for business rates and council tax.
5. The budget context – of requiring to address a shortfall of over £22 million – is a product of that broken system of finance. The Green Group has shown that even the most modest application of powers which other European cities take for granted could yield additional income of £25.7 million next year, enough to address the budget gap and more.

Green themes

6. However, in the absence of these powers, the Green Group has sought to prioritise its budget plans according to three themes:

- Investing in the future Edinburgh
- Sharing the city's wealth
- Strengthening local services

Investing in the Future Edinburgh

7. In 2015-16 the Council continues to preside over a massive gap between available resources and the outstanding cost of investing in our physical infrastructure. Over the last year it has become even more apparent that we collectively need to call time on years of under-funding of basic maintenance and improvement.

8. Our budget seeks to make inroads into that backlog by allocating resources for additional capital programmes and dealing with repairs plus additional funds from earmarked reserves to enhance the city's approach to energy supply and efficiency:

- Over £5 million for school and other public building improvements.
- £3 million from revenue budgets to fund higher levels of day to day maintenance in schools and other public buildings.
- £3m million capital plus £2 million revenue to focus on footway repairs and to improve road conditions and junctions where there are particular risks for pedestrians and cyclists.
- Levering in £4 million of Heritage Lottery funding by investing £860,000 in the transformation of Saughton Park.
- £5 million for meeting the challenge of rising school rolls.
- £1 million earmarked towards the total costs of re-provisioning Duncan Place Resource Centre, subject to a report in Spring 2015 outlining costs and funding options.

9. We note the ongoing discussions about the replacement of Meadowbank stadium and sports facility. We support the development of a centre commensurate with Edinburgh's capital city status but note that the funding shortfall and funding models are still in flux so look forward to that clarity to inform future capital programmes.

10. We welcome the Capital Coalition's intention to use the central energy efficiency fund to the tune of £150,000 for the development of an Energy Services Company (ESCo) and note that, even with that investment, £869,000 remains in the fund: we support further investment in an ESCo from that source if appropriate.

Sharing the City's Wealth

Edinburgh is a wealthy city, scarred by inequality, and, as the rising number of foodbanks shows, by acute poverty.

11. We welcome political consensus on the need to end the bedroom tax and note the funding arrangements now in place to mitigate the effect; however, we note that the arrangements do not cover the year 2013-14 when the bedroom tax was introduced and that, as a result, tenants have unavoidable rent arrears from that time. Therefore we authorise a one-off transfer of £500,000 to the Discretionary Housing Payments fund, with the aim of covering those outstanding arrears in full for council tenants; coupled with dialogue with RSLs as to how best to reflect their tenants' circumstances.

12. The Green Group has been a consistent supporter of Living Wage for a number of years now and welcome its application for council staff and a new pilot to apply it through procurement, as proposed in our budget motion of February 2014. We note that Living Wage is uprated each November and see no reason why our lowest-paid staff should have to wait until the following April to benefit; hence our budget motion seeks to accelerate 2016's Living Wage payment to 1 January 2016.

13. We welcome the recommendation to peg council house rent rises at inflation-only but note that the 2% rent rise is still above the 1.2% CPI rate used to uprate benefits in 2015-16. At the same time, we cannot see the case for the recommended 6% rise in management overheads at a time when management costs generally across the council are under increased scrutiny. So we propose that rents and management costs are both pegged at 1.2% with savings in the one funding the other.

14. Finally, we recognise the increase in foodbanks as a sign of the compassion and commitment of many of Edinburgh's citizens towards fellow citizens who are struggling most. That is why we have allocated a modest sum towards a "Beyond Foodbanks" initiative, seeking to build on existing work which confers greater empowerment over food choices.

Strengthening Local Services

The Green Group welcomes many of the revisions made since the publication of the draft budget in September 2014. In particular, we welcome and have adopted in our own budget the reversal or reduction of changes to voluntary sector grants, allotments, public toilets and transport for disabled people

15. However, we seek to further sustain frontline budgets in the following areas:

- Edinburgh Leisure to continue assisted access programmes for a full year and part-cover the reduced general grant
- Community learning and development – at the same time as reviewing arrangements for delivering programmes and maintaining centres
- Supported bus services – while also recognising the case for better understanding how best the subsidy is directed
- Library hours in recognition of Edinburgh as UNESCO's first city of literature.
- Sporting pitches maintenance

16. We welcome the Coalition's intention to re-distribute a further £100,000 for decision by each neighbourhood and seek to ensure that this is accompanied by a step change in the application of participatory budgeting in each neighbourhood: putting local people in the driving seat on which local priorities should be funded. To this end we have added funding in our budget for two one-year posts to champion participatory budgeting and drive implementation of the action plan.

17. However, we also recognise the case for people to see practical action at neighbourhood level on matters which affect day to day quality of life – dog-fouling and littered streets – and so seek to invest in eight additional environmental wardens, targeted on those localities where the problems are most acute and with the further aim of developing partnerships with community groups in tackling the problems.

Savings

18. Our savings and income package is detailed in annex 1 – and includes savings on consultants, marketing, Lord Provost costs, communications, waste costs and charges; and catering.

19. We reject in entirety any new cuts to organisations helping homeless people. However, we believe that there remains a case for challenging Police Scotland to deliver savings from its council grant, given widespread concern about the model of community policing adopted and the opportunities for the police to reprioritise community police work over widespread stop and search methods. We have allocated a £500,000 saving to the Police Scotland grant for 2015-16, echoing the draft proposal put forward in 2014-15.

Recommendations

Council notes:

- The reports by the Director of Corporate Governance setting out the revenue and capital budget framework.
- The report by the Director of Corporate Governance setting out the potential equality and rights risks associated with the revenue budget framework; and the report on carbon emissions impact assessment, with more refined assessment tools expected in future years.
- The evolving relationship with the voluntary sector and the need for that relationship to be underpinned by a funding arrangement which is based on an in-depth understanding of the role the sector plays in the city's service landscape.
- The development of business cases within the Bold and Organise to Deliver workstreams and the need for these business cases to be focused on improved service-user experience and empowering frontline staff.

Council approves:

- The revenue budget set out in the reports, subject to the amendments set out in Annex 1 to this motion
- A band D Council Tax of £1,169;
- The Council Tax and Rating resolution as set out in Annex 2 to this motion;
- The 2015 to 2020 capital budget as set out in the report by the Director of Corporate Governance, subject to the amendments set out in Annex 3 to this motion;
- A further report to be submitted to seek approval of revised charges for Council services, the outcomes of which are contained in Annex 1 to this amendment
- The recommendations contained in the Housing Revenue Account report by the Acting Director of Services for Communities, subject to the amendment to increase rents by 1.2%, rather than 2%, and the outline 5 year HRA capital programme for 2015 to 2020.

Moved by Gavin Corbett

Seconded by Steve Burgess

**THE CITY OF EDINBURGH COUNCIL
EDINBURGH GREEN PARTY BUDGET MOTION
REVENUE BUDGET 2015/16**

	2015/16	
	£000	£000
Expenditure to be Funded		
- Resource Allocation Totals	941,609	
- Add: Expenditure funded through Specific Grants	<u>299</u>	941,908
- General Revenue Funding and Non Domestic Rates	-712,287	
- Ring Fenced Funding	<u>-299</u>	-712,586
To be Funded by Council Tax		<u>229,322</u>
Council Tax at Band D		£ 1,169.00
Increase on Previous Year		£ -
- Percentage Increase		0.0%
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Funding Requirement		229,322
Council Tax Income		<u>236,158</u>
Funding Excess at Council Tax increase above as reported to Finance and Resources Committee September 2014		-6,836
Changes to budget framework assumptions		
Teachers' superannuation - employer contributions increase from September 2015	1,800	
Savings in loans charge expenditure	-1,800	
Lothian Buses - additional dividend	<u>-2,000</u>	-2,000
Service investment		
Detail, if required, included in "Changes Sheet"	6,934	
		<u>6,934</u>
Add / Less: amendments to draft revenue budget framework		
Detail, if required, included in "Changes Sheet"		
Reduction or withdrawal of current proposals	4,152	
Increase in current proposals	-445	
New Savings proposals	-1,805	
		<u>1,902</u>
Amendments to Corporate Governance proposals		
Merchandising - modified proposal (CG 1)	75	
Website advertising - withdrawn proposal (CG 2)	150	
Replaced by:		
Re-align Risk Management service	-25	
Additional income - Council Tax Fraud Team	-50	
Customer Services - channel shift	-50	
Additional workforce savings proposed	<u>-100</u>	0
Balance of Available Resources		<u><u>0</u></u>

THE CITY OF EDINBURGH COUNCIL
EDINBURGH GREEN PARTY BUDGET MOTION
REVENUE BUDGET 2015/16

SERVICE INVESTMENT	£000
Road Repairs	2,000
Shared Repair Service	1,000
School and Other Building Repairs	3,000
Accelerate Living Wage new rate	75
Participatory budgeting champions: one year posts	80
Beyond foodbanks	79
Increase Discretionary Housing Payments	500
Additional Environmental Warden numbers	200

TOTAL SERVICE INVESTMENT	6,934
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PROPOSED AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK 2015/16

Withdraw Community Learning and Development service review	CF10	510	
Reduce Service-wide reductions for grants and contract funding for third parties	CF16	614	
Remove 2015-16 reduction in Edinburgh Leisure service payment	CG5	500	
Refine festive lights and trees to focus on community schemes	CG7	50	
Reduce City Car Club saving	SfC10	78	
Withdraw closure of some public conveniences outside the city centre	SfC11	300	
Remove efficiencies in sports pitch maintenance	SfC12	100	
Reduce saving third party grants leaving only element for Police Scotland	SfC17	1,000	
Withdraw review of library opening hours	SfC18	250	
Withdraw review of approach to garden waste collection	SfC21	100	
Reduce saving from review of taxi card funding	SfC26	300	
Remove reduction in supported bus funding	SfC27	200	
Withdraw increase allotment charges	SfC4	150	
			4,152
Further savings from Members' Services	CG3	-25	
Further reduction in Lord Provosts Costs	CG4	-100	
Additional Savings from Marketing Edinburgh	ED7	-150	
Additional trade waste income	SfC8	-170	
			-445

TOTAL AMENDMENTS TO DRAFT REVENUE BUDGET FRAMEWORK	3,707
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ADDITIONAL SAVINGS	£000
Additional Parking Charges - higher on-street parking charges, higher 2nd permit charges & higher emissions vehicle rises	-680
Staff Travel costs, decrease in unnecessary travel	-100
Landfill Tax reduction, diversion of higher volumes	-500
Estate temperature control	-100
Removal of Councillors' catering budget	-25
Review of Corporate Communications costs	-200
Reduction in Consultants' costs	-200
TOTAL ADDITIONAL SAVINGS	-1,805

**THE CITY OF EDINBURGH COUNCIL
COUNCIL TAX / RATING RESOLUTION
EDINBURGH GREEN PARTY BUDGET MOTION**

To recommend that in respect of the year to 31st March, 2016:

1. GENERAL FUND

Revenue Estimates - the Revenue Estimates as presented and adjusted be approved;

Council Tax - estimated expenditure from Council Tax of £236.158m be met and in terms of Sections 70(1) and 74(1) of the Local Government Finance Act 1992 (the 1992 Act) Council Tax be levied in respect of properties in the bands defined in Section 74(2) of the 1992 Act as follows:

Band	Council Tax	Band	Council Tax
	£		£
A	779.33	E	1,428.78
B	909.22	F	1,688.56
C	1,039.11	G	1,948.33
D	1,169.00	H	2,338.00

2. RATING APPEALS TIMETABLE

In terms of Part XI of the Local Government (Scotland) Act 1947 the following dates be approved:

Main Assessment Roll

Lodging of Appeals with the Director of Corporate Governance by	10 July 2015
Hearing of Appeals by the Rating Authority	18 September 2015

Amendments to Main Assessment Roll made subsequent to its issue

Lodging of Appeals with the Director of Corporate Governance	Within six weeks of issue of Rate Demand or in terms of Section 11 of the Rating and Valuation (Amendment) (Scotland) Act 1984
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Hearing of Appeals by the Rating Authority	Periodically
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3. CAPITAL EXPENDITURE

Expenditure on Capital projects in progress be met.

4. BORROWING

The Council borrows the necessary sums to meet the above capital expenditure.

**THE CITY OF EDINBURGH COUNCIL
EDINBURGH GREEN PARTY BUDGET MOTION
CAPITAL BUDGET 2015 - 2020
ADDITIONS TO REVISED PROGRAMME**

	Total £000
Available Additional Resources for Distribution	
Additional capital resources	
Unallocated - available from 2019-20	9,000
Capital Fund	10,000
Additional funding from Scottish Government	5,819
Resources Available for Distribution	24,819

	2015-16	2016-17	2017-18	2018-19	2019-20	Total
	£000	£000	£000	£000	£000	£000
Redistribution from Existing Projects						
City dressing programme	(50)	(167)	-	-	-	-217
Winter Festivals Lighting	(44)	-	-	-	-	-44
	(300)	-	-	-	-	-300
St Andrew Square public realm						
Charlotte Square Refurbishment	(960)	-	-	-	-	-960
Additional Investment						
ICT Infrastructure	1,000	-	-	-	-	1,000
Local Development Plan Investment	900	-	-	-	-	900
Rising School Rolls	5,000	-	-	-	-	5,000
Road Condition Safety and Footways	3,000	-	-	-	-	3,000
Schools and Public Buildings	5,580	-	-	-	-	5,580
Park Investment	860	-	-	-	-	860
Duncan Place	-	1,000	-	-	-	1,000
Unallocated	-	-	-	-	9,000	9,000
	14,986	833	-	-	9,000	24,819